



United States Senate

WASHINGTON, DC 20510-0905

April 27, 2011

BILL NELSON
FLORIDA

J. Russell George
Treasury Inspector General for Tax Administration
U.S. Department of the Treasury
1401 H Street, N.W.
Washington, DC 20005

Dear Inspector General George,

Hundreds of thousands of Americans each year are victims of identity theft; and, in a rising number of incidents, identity theft is coupled with the fraudulent filing of an income tax return. These tax scams have jumped significantly in the past several years, according to statistics of the Federal Trade Commission.

In 2010, the FTC received 250,854 complaints of identity theft, including more than 38,000 complaints specifically connecting identity theft with tax or wage-related fraud.

Recent investigations in Florida and elsewhere around the country have uncovered online tax scams in which stolen identities are used to defraud taxpayers of their refunds. The victims suffer for months or even years as they seek to recover lost tax refunds from the IRS.

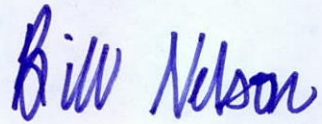
Take the case of Jennifer Fernandez, 25, from Miami. According to one news account, Fernandez lost her husband to cancer last June when she was pregnant with their second child. She then discovered her 2010 tax refund was being delayed because someone had filed a return in her husband's name.

Such tax scams are not limited to federal income tax returns. They also involve fraudulent state and local returns. The combination of rising identity theft, electronic tax filing, and direct deposit of tax refunds has paved the way for cheats to steal from law-abiding, hard-working Americans. I believe Congress and the administration must do more to reverse this trend.

As chairman of the newly created Senate Finance Subcommittee on Fiscal Responsibility and Economic Growth, I want to work with you in the days ahead to fully examine the scope of the problem and find solutions to better protect taxpayers. More specifically, I would like the office of the Treasury Inspector General for Tax Administration (TIGTA) to investigate and recommend solutions to combat tax fraud involving identity theft. Your findings will help inform the subcommittee's activities as well as provide direction for a potential legislative response.

Please do not hesitate to have your office contact Ryan McCormick, staff director for the subcommittee, at (202) 224-7745.

Sincerely,

A handwritten signature in blue ink that reads "Bill Nelson". The signature is written in a cursive style with a large, stylized "B" and "N".

Bill Nelson